



National Audit Office

**BRIEFING FOR THE  
HOUSE OF COMMONS  
TRANSPORT SELECT  
COMMITTEE  
NOVEMBER 2009**

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# Performance of the Department for Transport 2008-09

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# Performance of the Department for Transport 2008-09

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BRIEFING FOR THE HOUSE OF COMMONS TRANSPORT SELECT COMMITTEE  
NOVEMBER 2009

This briefing has been prepared for the Transport Select Committee and provides an overview of the work and performance of the Department for Transport in the 2008-09 financial year and subsequent months.

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# Summary

## Aim and scope of this briefing

**1** This briefing has been prepared for the Transport Select Committee and provides an overview of the work and performance of the Department for Transport (the Department) in the 2008-09 financial year and subsequent months. It takes as its basis the Department's Annual Report and Accounts 2008-09, drawing upon recent work by the National Audit Office (NAO) together with relevant material from other reviews of departmental performance and evidence from a range of other sources.

**2** The contents of the briefing have been shared with the Department to ensure that the evidence presented is factually accurate, but the commentary and views expressed are the sole responsibility of the NAO.

## The Department's role and priorities

**3** The Department's aim is a modern transport system that works for everyone and is truly sustainable. Much of the Department's work is delivered through its executive agencies and other delivery partners such as Network Rail, train operating companies and local transport authorities.

## Key events

**4** During 2008-09 and in subsequent months the Department:

- announced up to £6 billion in major improvements to the strategic road network in the period up to 2014 to cut congestion, support economic growth and improve road safety. For example, the programme includes upgrading and widening of motorways as well as hard shoulder running (July 2008)<sup>1</sup>;
- announced plans as part of the government's fiscal stimulus package to bring forward £700 million of capital spending to accelerate plans to increase capacity on motorways and other critical highways and the rail network (November 2008)<sup>2</sup>;
- created a new company – High Speed 2 – to consider the case for a new high speed rail service from London to Scotland, and develop proposals for a new high speed line between London and the West Midlands (January 2009)<sup>3</sup>;
- announced the preferred bidder for the supply of the next generation of high speed trains as part of the government led Intercity Express Programme (February 2009)<sup>4</sup>;

<sup>1</sup> *Roads – Delivering Choice and Reliability*, Department for Transport, Cm 7445, 16 July 2008.

<sup>2</sup> Pre-Budget Report 2008 (November 2008); and statement to Parliament from the Secretary of State for Transport on 25 November 2008.

<sup>3</sup> *Britain's Transport Infrastructure: High Speed Two*, Department for Transport, 15 January 2009.

<sup>4</sup> Announcement from the Secretary of State for Transport on 12 February 2009.



- awarded a Design, Build, Finance and Operate contract for the improvement and future operation of the M25 motorway (May 2009)<sup>5</sup>;
- announced plans to electrify major parts of the rail network including the Great Western main line (July 2009)<sup>6</sup>; and
- announced the financial restructuring of London and Continental Railways Limited (June 2009).<sup>7</sup>

**5** Other key events in the transport environment included:

- voters in Greater Manchester rejected transport plans including introduction of a congestion charge (December 2008);
- Network Rail completed its £9 billion upgrade of the West Coast Mainline in December 2008, but problems of reliability continued to persist in 2009; and
- the government established a new publicly owned company (Directly Operated Railways Limited) to take over the East Coast Main Line franchise from the point at which National Express East Coast ceases to operate (July 2009).<sup>8</sup>

## Summary of overall performance

### Financial Performance

**6** The Department's Annual Report and Resource Accounts, 2008-09, which consolidate the core results of the Department, the Maritime and Coastguard Agency, the Vehicle Certification Agency, the Government Car and Despatch Agency and the Highways Agency, reported a net resource outturn of £19.9 billion, an increase of £3.8 billion compared to 2007-08. The increase of some 23 per cent in net resource outturn is largely due to changes in the basis of accounting for financial instruments as a result of new Financial Reporting Standards introduced for 2008-09. The key financial transactions affected by the new standards were the guarantee of Network Rail's borrowing and the financial support package in place for the London and Continental Railways Group.

**7** The Department delivers many of its objectives through its Agencies and third parties. Grants account for almost 50 per cent of the Department's net resource outturn. The key components of grant expenditure included support for railways, including Network Rail, of £4.2 billion and resource grants to the Greater London Authority of £2.5 billion.

**8** As a result of the new Financial Reporting Standards, the Department's balance sheet now includes liabilities in respect of financial guarantee contracts of £8.3 billion, of which £3.0 billion relates to support for Network Rail borrowing and £5.3 billion relates to the various support initiatives for the London and Continental Railways Group.

<sup>5</sup> Highways Agency Press Release, 20 May 2009.

<sup>6</sup> *Britain's Transport Infrastructure: Rail Electrification*, Department for Transport (July 2009).

<sup>7</sup> Department for Transport Press Release, 8 June 2009.

<sup>8</sup> Statement by the Secretary of State for Transport, 1 July 2009. The precise date of default on the National Express East Coast franchise is not yet certain.

**9** In addition to the balance sheet fair value for financial liabilities, the Department has a number of contingent liabilities which are significant in comparison with the level of funding available annually to the Department. In total, the Department has reported quantifiable financial exposure of £27.2 billion in indemnities and guarantees, in comparison with £22.9 billion at the end of 2007-08. The main reason for the 19 per cent increase is an increase of £3.6 billion in support for the Network Rail debt programme, now underwritten up to a maximum of £26.3 billion, and new indemnities issued in respect of Crossrail funding (£730 million).

**10** The Department's Annual Report and Accounts also report a number of unquantifiable contingent liabilities, most notably relating to liabilities assumed from the Strategic Rail Authority in respect of rolling stock companies and train operating companies and a letter of comfort in support of the Tube Lines contract.

### Departmental capability

**11** In July 2009, the Cabinet Office published a follow up Capability Review on the Department. This found that the Department had made progress in addressing the findings of the 2007 Department for Transport Capability Review. Amongst the 14 departments subject to a second stage Capability Review, the Department for Transport was ranked joint sixth overall with the Crown Prosecution Service and the Department for Health. Strategy is the Department's strongest area of capability (joint first with the Ministry of Defence and the Department for Work and Pensions). The Department now has no 'Urgent Development Areas'.

**12** The Department delivers many of its objectives through its Agencies and other external delivery partners. With respect to its Agencies, the 2007 Capability Review recommended that the Department clarify the nature of its oversight and review the effectiveness of sponsorship arrangements. The 2009 follow up Review found substantial improvement in these relationships. Difficulties can arise with delivering through external delivery partners, however, and the NAO's report on *The Failure of Metronet* found that the Department had few formal levers to influence outcomes in this particular case. As a consequence of the failure in 2007, the taxpayer bore a direct loss of between £170 million and £410 million.

**13** In 2008, the Office of Government Commerce published its review of the Department's procurement capability. Since then, the Department has agreed and published its Commercial Strategy which provides the framework and structure that underpins all the Department's commercial activities. The Department has also initiated its Procurement Transformation Programme which seeks to achieve significant procurement savings over the next four years.

## Performance

**14** This is the first year for reporting progress against targets set in the 2007 Comprehensive Spending Review. That Spending Review defined 30 cross-Government Public Service Agreements and required departments to develop a set of Departmental Strategic Objectives (DSOs) for the period 2008-11. The Department for Transport leads on the PSA target to deliver reliable and efficient transport networks that support economic growth (PSA target 5). At the end of 2008, the Department agreed a set of five DSO targets supported by twenty indicators with Treasury to supplement PSA target 5. The Department has reported its performance against PSA target 5 and its five DSOs. (**Figure 1**).

### PSA 5 and DSO 1: Deliver reliable and efficient transport networks

**15** Indicators 1 to 4 of DSO 1 form PSA 5. The Department reports strong progress against DSO 1. It reports improvement in journey times on main roads into urban areas; and is on course to achieving its target of 1.7 million hours vehicle delay savings on the strategic road network. The Department also reports progress on increasing capacity on the rail network and improvements in rail reliability with 90.6 per cent of rail passenger journeys being 'on time' (March 2009). The value for money of the Department's spending has not yet been assessed.

**16** The NAO review of the PSA target and its indicators, other than for the rail capacity and overcrowding indicator, generally found data systems to be well established and maintained through an adequate framework of review and reporting. A number of recommendations were made which the Department were asked to consider to improve the selection of indicators and clarity in disclosure.

### DSO 2: Improvements to environmental performance

**17** The Department reports that it has achieved its commitments to deliveries under DSO 2, namely: to develop a carbon reduction strategy for transport; introduce new car CO<sub>2</sub> regulations; agree a new EU Emissions Trading System to include aviation; and introduce the Renewable Transport Fuel Obligation.

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**Figure 1**  
Departmental assessment of performance against PSAs and DSOs

		<b>Annual Report 2009</b>
PSA 5/DSO 1	Deliver reliable and efficient transport networks	● Strong progress
DSO 2	Improvements to Environmental Performance	● Strong progress
DSO 3	Strengthen Safety and Security of Transport	● Some progress
DSO 4	Promote greater equality of opportunity	○ Not yet assessed
DSO 5	Improve quality of life	○ Not yet assessed

*Source: Department for Transport Annual Report and Resource Accounts 2008-09*

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### DSO 3: Contribute to better safety, security and health

**18** The Department reports that it has made some progress against DSO 3. Both road safety indicators show improvement – the Department reporting reduced numbers of children and people killed or seriously injured on the roads in Great Britain. The Department's contribution to meeting Air Quality Strategy objectives had not yet been assessed; and progress on the contribution to reducing the risk from international terrorism is classified information.

### DSO 4: Promote greater equality of opportunity

**19** On promoting greater equality of opportunity, the Department reported improvements in two of the four indicators. Improvements were reported for increasing the number of secure stations, 909 at the time the Department's annual report was produced; and, some 42 per cent of the heavy rail (trains) fleet met modern accessibility standards. Ensuring disabled access to buses had not yet been assessed, but the available data showed progress being made with around 62 per cent of the bus fleet currently being accessible to disabled people. Improving access to services and facilities by public transport, walking and cycling is being delivered and measured through local area agreements and had not been assessed.

### DSO 5: Improve quality of life

**20** Overall, two out of the three indicators had not yet been assessed and the third had not yet shown improvement.

**21** DSO 5 requires the Department to meet critical milestones for relevant transport infrastructure delivery for the 2012 Olympics; help ensure that the rail industry produces and delivers Noise Actions Plans in accordance with the Environmental Noise Directive; and delivers High Speed One services at Stratford International to an agreed timetable. The first two indicators had not yet been assessed, and the opening of High Speed One services at Stratford International is expected to be delivered in December 2009.

## Key issues

**22** The key challenges facing the Department are to:

- make progress on relieving road congestion and rail crowding once the economy recovers and underlying demand pressures resurface;
- maintain its own contribution, and that of the private sector, to an ambitious programme of transport infrastructure investment during a period of public expenditure restraint and investor caution; and
- reconciling the facilitation of travel through reliable and efficient networks with improvement of environmental performance, safety and security.

# Part One

## Financial Review

**1.1** This Part examines the Department's financial management and performance in 2008-09.

### Financial outturn 2008-09

**1.2** The Department's Resource Accounts consolidate the financial results of the core Department, the Maritime and Coastguard Agency, the Vehicle Certification Agency, the Government Car and Despatch Agency and the Highways Agency. They also consolidate the results for a small number of minor NDPBs<sup>9</sup> but do not consolidate the results of the three agencies which are classified as trading funds.<sup>10</sup>

**1.3** The Accounts reported a net resource outturn of £19,882 million for 2008-09, an increase of some £3,767 million or 23 per cent on 2007-08. The key driver of the increase was the impact of changes in the reporting requirements for financial instruments which led to additional charges in year of £5,168 million. The outturn was £3,577 million less than the final estimate for the year. The main component of the underspend, £2,383 million, was also related to financial instruments.

**1.4** In 2008-09, the net operating costs for the group were £14,668 million. This was an 8 per cent decrease from the £15,897 million reported in 2007-08. The key factor explaining the difference between the net operating costs and the net resource outturn, reported in paragraph 1.3 above, is that the net operating costs exclude an adjustment of £5,168 million in respect of financial instruments.

**1.5** The net operating costs consist of £277 million of administrative costs and £14,391 million programme costs. **Figure 2** overleaf represents net operating cost information by Departmental Strategic Objective.

**1.6** The net cash requirement was £12,348 million, against an estimate of £12,561 million. Cash requirements are significantly lower than resource requirements due to cost of capital charges of £2,704 million and financial guarantees of £5,168 million, neither of which led to any cash payments in the year.

<sup>9</sup> Two advisory Non-Departmental Public Bodies (NDPBs) – the Commission for Integrated Transport and the Disabled Persons Transport Advisory Committee; and the Department's only tribunal NDPB – the Traffic Commissioners and Licensing Authorities.

<sup>10</sup> The Driver and Vehicle Licensing Agency (DVLA), the Driving Standards Agency (DSA) and the Vehicle and Operator Services Agency (VOSA).

## The impact of new Financial Reporting Standards

**1.7** The increase of some 23 per cent in net resource outturn is largely due to changes in the basis of accounting for financial instruments as a result of new Financial Reporting Standards introduced for 2008-09. Under the new standards, the Department was required to account for certain guarantees which had not previously been reflected in reported resource consumption or as liabilities in the balance sheet. The key financial transactions affected by the new standards were the financial indemnity in support of Network Rail's borrowing and the financial support package in place for the London and Continental Railways Group.

**1.8** Because this was the first time that Parliament was being asked to approve this resource consumption, the Department requested an additional £7,552 million funding in the year. At the time of the bid for extra resources, discussions were still ongoing about the most appropriate valuation techniques. The final decision on valuation resulted in an underspend against estimate of £2,383 million.

**1.9** Given the change in ownership of the London and Continental Group after the year end, the accounting arrangements will again be different in 2009-10. The reporting of the Network Rail guarantees will now continue on a consistent basis.

## Analysis of income

**1.10** For 2008-09 the Department has reported income of £995 million, an increase of 72 per cent in comparison with the previous year's income of £580 million. The major reported component of the increase is receipts from train operating companies, which have risen from £130 million in 2007-08 to £416 million in 2008-09.

### Figure 2

Consolidated statement of net operating costs by Departmental Strategic Objective

	2008-09	2007-08 (restated)
	£000	£000
	Outturn	Outturn
<b>Aim</b>		
DSO 1 Reliable and efficient transport networks	7,672,698	9,351,379
DSO 2 Improvements to environmental performance	1,292,885	784,163
DSO 3 Strengthen safety and security of transport	3,416,560	3,398,230
DSO 4 Promote greater equality of opportunity	2,201,989	2,354,026
DSO 5 Improve quality of life	83,511	8,813
<b>Operating cost statement</b>	<b>14,667,643</b>	<b>15,896,611</b>

Source: Department for Transport Annual Report and Resource Accounts, 2008-09, p334

#### NOTE

The Departmental Strategic Objectives changed for 2008-09. The prior year information has been restated in line with these new objectives.

## Analysis of spend

**1.11** Of the £19,882 million net resource consumption in the year, the Department reports that administration costs accounted for some £308 million, grants accounted for £9,267 million and other current spending amounted to £11,230 million.

**1.12** The two major components within other current spending for 2008-09 were £5,168 million in respect of adjustments for financial reporting, described in more detail in paragraphs 1.7 to 1.9 on page 10 and £5,374 million in respect of the Highways Agency. The financial charges did not involve any cash payments in the year; similarly, £2,957 million<sup>11</sup> of the Highways Agency costs are the notional cost of capital charges and therefore also did not involve cash payments during the year. Together these transactions account for the majority of the difference between resource consumption and cash spend.

**1.13** Grants accounted for 47 per cent of the Department's net resource outturn. The key components of grant expenditure were support for railways, including Network Rail, of £4,231 million (2007-08: £4,034 million) and resource grants to the Greater London Authority of £2,505 million (2007-08: £2,397 million).

## Assets and Liabilities

**1.14** The balance sheet shows an increase of around 4.5 per cent in fixed assets from £87,262 million to £91,153 million. The key component of this increase is in the value of the road network infrastructure, predominantly due to revaluation.

**1.15** The value of quantified contingent liabilities is significant in comparison with the level of funding available annually to the Department. As a result of the new Financial Reporting Standards described in more detail in paragraphs 1.7 to 1.9 on page 10, the balance sheet now includes liabilities in respect of financial guarantee contracts of £8,334 million, at fair value, of which £2,979 million relates to support for Network Rail borrowing and £5,353 million relates to the various support initiatives for the London and Continental Railways Group.<sup>12</sup>

**1.16** In addition to the balance sheet values, the Department also reports in Note 32 a number of contingent liabilities. Under Financial Reporting Standard (FRS) 12, estimated full value contingent liabilities of £7,007 million are disclosed, principally for bonds issued by London and Continental Railways Ltd (£3,750 million). In addition, the Department has reported to Parliament a potential full value estimate of financial exposure of £27,190 million in indemnities and guarantees, in comparison with £22,860 million at the end of 2007-08. The main reason for the 19 per cent increase is an increase of £3,600 million in the amount of Network Rail debt supported by a Department indemnity or standby credit facility. The total maximum Network Rail debt supported has increased from £22,700 million as at 31 March 2008 to £26,300 million as at 31 March 2009. There were also new indemnities issued in respect of Crossrail funding (£730 million).

<sup>11</sup> Highways Agency Annual Report 2008-09, p90.

<sup>12</sup> In addition to these amounts for support to Network Rail and London and Continental Railways, there were other financial guarantees amounting to £2 million. Department for Transport Annual Report and Resource Accounts 2008-09, Note 16.2 – Financial Liabilities, p362.

**1.17** Note 32 to the Department's Resource Accounts also reports a number of unquantifiable contingent liabilities, most notably relating to liabilities assumed from the Strategic Rail Authority in respect of rolling stock companies and train operating companies and a letter of comfort in support of the Tube Lines contract. In 2007-08, a contingent liability crystallised when the two Metronet companies went into administration, resulting in the Department making an additional grant payment of £1.7 billion to Transport for London which would otherwise have been repaid over the 30 year lifetime of the contract.<sup>13</sup> This liability had been disclosed in the Department's Resource Accounts in previous years as an unquantifiable contingent liability.

### Financial control

**1.18** The Accounting Officer is responsible for maintaining a sound system of internal control that supports the achievement of the Department's policies, aims and objectives whilst safeguarding the public funds and departmental assets for which he is responsible.

**1.19** In the Statement on Internal Control (SIC) in the Department's 2008-09 Resource Accounts, the Accounting Officer notes that internal control had been adequate and effective throughout 2008-09 except for two matters:<sup>14</sup>

- Shared Service Centre: Improvements had been made in the control environment within the Shared Service Centre. Although the overall control environment had been adequate, further improvement in the Centre's systems was still required; and
- Vehicle and Operator Services Agency: Strategies have been developed to improve internal control in response to weaknesses identified during the year and a key element of this is the strategic plan to address financial deficits incurred at the Agency in the past three years.<sup>15</sup>

**1.20** In addition, the Statement on Internal Control for the Maritime and Coastguard Agency referred to the risks arising from the restructuring of the Agency in preparation for the move to shared services provision of financial management and human resources services.<sup>16</sup>

**1.21** This year, for the first time, the Department published its Resource Accounts and Annual Report together and was still able to meet the pre-summer Recess deadline for laying of the accounts. This puts the Department at the forefront of best practice.

<sup>13</sup> *Department for Transport: The failure of Metronet. Report by the Comptroller and Auditor General (HC 512, Session 2008-09), paragraphs 1 and 2.*

<sup>14</sup> Department for Transport, Annual Report and Resource Accounts 2008-09, pp319-325.

<sup>15</sup> VOSA Annual Report and Accounts 2008-09, p61.

<sup>16</sup> Maritime and Coastguard Agency Annual Report and Accounts 2008-09, p37.



## Future Financial Environment

**1.22** Looking ahead, the key financial settlements which will affect the Department are:

- Under the Comprehensive Spending Review 2007, a 2¼ per cent annual real increase in the Department's programme budget was to be extended to 2018-19. This was used in medium and long term planning but may now be subject to review;
- In December 2008, the Government announced a fiscal stimulus package which included £700 million of transport investments brought forward from 2010-11 to 2009-10.<sup>17</sup> The Highways Agency is delivering £400 million<sup>18</sup> to accelerate work to make better use of motorways and other critical highways; and
- In the shorter term, the Main Estimate for 2009-10 gives the Department a net resource provision of £15,630 million.<sup>19</sup> After adjustment for the 2008-09 resource cover for financial guarantees, this is comparable with the 2008-09 Net Resource outturn.

## Progress on value for money and efficiency targets

**1.23** In April 2008 the CSR 07 value for money (VfM) programme began, covering the period 2008-09 to 2010-11. This programme has a target of achieving £1.76 billion VfM gains, which must all be cash releasing, over the three years.

**1.24** At the end of 2008-09 the Department had reported VfM savings of £892 million against an interim progress point of £680 million. (**Figure 3.**)

### Figure 3

Department's CSR 07 VfM savings: progress and targets

Workstream	VfM savings at 31 March 2009 (£m)	Target Savings by 31 March 2011 (£m)
Support for Passenger Rail Services	280	700
Network Rail Grant	451	538
Highways Agency	106	144
Procurement	–	84
Transport for London	28	233
Administration	14	43
Motoring and Freight Services	13	20
<b>Total</b>	<b>892</b>	<b>1,762</b>

Source: Department for Transport Annual Report and Resource Accounts, 2008-09, pp190-196

#### NOTE

The above figures are still subject to final audit confirmation by the NAO. A report is due for publication in Autumn 2009.

<sup>17</sup> Department for Transport Annual Report and Resource Accounts 2008-09, p302.

<sup>18</sup> Highways Agency Annual Report 2008-09, p5.

<sup>19</sup> Main Supply Estimate 2009-10 (June 2009) p108.

# Part Two

## Department capability

**2.1** This Part examines the Department's capability to deliver against its objectives.

### Capability review

**2.2** The Cabinet Office's Capability Review Programme began in 2005 as part of the Civil Service reform agenda. It aims to improve the delivery of public services by:

- improving the capability of the Civil Service to meet today's delivery objectives and be ready for the challenges of tomorrow;
- assuring the public and Ministers that the Civil Service leadership is equipped to develop and deliver departmental strategies; and
- helping Departments act on long term key development areas and therefore provide assurance on future delivery.

**2.3** Capability Reviews are carried out by the Cabinet Office's Capability Review Team, with external reviewers drawn from the private and public sector assembled specifically for the Department under review.

**2.4** The Reviews assess the department's capabilities and identify areas for development and key actions. The assessment of capability is broken down into ten elements under three headings: leadership, strategy and delivery. Each element has five assessment levels: strong; well placed; development area; urgent development area; and serious concerns. The performance against each element can be summarised to give a numeric score for each heading.

**2.5** The Department for Transport's first Capability Review was published in June 2007, and the phase two review was published in July 2009:

- Among the 14 departments subject to a second stage Capability Review, the Department for Transport was ranked joint sixth overall with the Crown Prosecution Service and the Department for Health. (See Appendix 1 for further details.)
- The Department was among the best of the 14 assessed for Strategy (joint first with the Ministry of Defence and the Department for Work and Pensions), joint seventh for Delivery and joint tenth for Leadership.

- The ratings of seven indicators were unchanged since 2007 although progress was recorded, whilst the remaining three had improved, as highlighted in **Figure 4** below. There are now no 'Urgent Development Areas'.<sup>20</sup>

## 2.6 Two main areas were identified in the 2009 review as requiring further action:

- Leadership – the review found that the Department's Board and wider leadership do not consistently demonstrate that they are fully engaged with, and committed to, leading and driving change within the Department, and the pace is slow on changes to the way the Department operates internally; and
- Delivery – whilst good strategic and delivery capability had been demonstrated on external programmes the review team found that this had not been replicated internally.

### Figure 4

#### Assessment of the Department for Transport's capability for future delivery

Leadership	Initial assessment, June 2007	Progress assessment, July 2009
Set direction	 Well placed	 Well placed
Ignite passion, pace and drive	 Development area	 Development area
Take responsibility for leading delivery and change <sup>1</sup>	 Urgent development area	 Development area
Build capability	 Development area	 Development area
<b>Strategy</b>		
Focus on outcomes	 Well placed	 Well placed
Base choice on evidence	 Strong	 Strong
Build common purpose <sup>1</sup>	 Development area	 Well placed
<b>Delivery</b>		
Plan, resource and prioritise	 Well placed	 Well placed
Develop clear roles, responsibilities and business models <sup>1</sup>	 Urgent development area	 Development area
Manage performance	 Development area	 Development area

Source: Results of Cabinet Office Capability Reviews<sup>2</sup>

#### NOTES

<sup>1</sup> Shown an improvement since the original review in June 2007.

<sup>2</sup> Cabinet Office, Department for Transport: Progress and Next Steps (July 2009), p7 and Cabinet Office, Capability Review of the Department for Transport (June 2007), p14.

**2.7** The Capability Review team also noted that management information was being hampered by issues with Shared Services and that there was a perception that management information was worse than it was previously.<sup>21</sup> Following the Public Accounts Committee's report on Shared Services, the Department has implemented changes to enhance senior management oversight of the programme.<sup>22</sup>

## Procurement

**2.8** Since the publication of the Office of Government Commerce's review of the Department's Procurement capability in June 2008, the Department has agreed and published its Commercial Strategy which provides the framework and structure that underpins all the Department's commercial activities. The Department has also initiated its Procurement Transformation Programme which seeks to achieve significant procurement savings over the next four years. In its Annual Report, the Department also notes that 2008-09 is the first year of operation of a combined procurement organisation, merging the Procurement and Estates Division with the Rail Procurement team.<sup>23</sup>

**2.9** Our report on *Letting Rail Franchises 2005-2007* published in October 2008, concluded that the Department's approach to passenger rail franchising produced generally well thought through service specifications and generated keen bidding competition; and the commercial risks on franchises were well managed. The Department's approach had resulted in better value for money for the taxpayer. Although there would be some service improvements, passengers overall would pay more. Crowding would increase for many commuters until expected investment delivered more carrying capacity.<sup>24</sup>

## Staffing matters

**2.10** The Department and its agencies spent in total some £107 million on consultants and professional services in 2008-09 consisting of administrative expenditure of £40 million and £67 million programme expenditure.<sup>25</sup> This is a reduction of over 23 per cent from the 2007-08 total figure of £139 million.<sup>26</sup>

21 Cabinet Office, Department for Transport: Progress and Next Steps (July 2009), p11.

22 Treasury Minute on the Forty Eighth, the Forty Ninth, and the Fifty First to the Fifty Seventh Report from the Committee of Public Accounts 2007-08 (February 2009) p50.

23 Department for Transport, Annual Report and Resource Accounts 2008-09, p185.

24 *Department for Transport: Letting Rail Franchises 2005-2007*. Report by the Comptroller and Auditor General (HC 1047, Session 2007-08), paragraph 18.

25 Department for Transport Annual Report and Resource Accounts 2008-09, pp353-354.

26 Department for Transport Annual Report and Resource Accounts 2008-09, p353.

**2.11** The Capability Review drew on the Department's staff survey carried out in October 2008. It highlighted:

- the low proportion (15 per cent) of staff who felt that change within the Department is well managed;<sup>27</sup>
- that staff felt that communication within the Department had improved although it was mainly top down and staff did not feel listened to;
- there were processes in place to improve skills, leadership and diversity, but that the application of new objectives promoting leadership standards has been inconsistent across the Department; and
- that 76 per cent of staff understood how their work contributes to the Department's objectives as evidence for how the Department focuses on outcomes. Again early indicators from the 2009 figures suggested an improvement.<sup>28</sup>

## Engaging stakeholders and delivery partners

**2.12** The Department delivers many of its objectives through its Agencies and third parties. It distributed £9.267 million in grants in 2008-09 as classified by outturn against estimates voted by Parliament, some 47 per cent of its net resource outturn, including £4,231 million of support for railways and grants to the Greater London Authority amounting to £2,505 million.<sup>29</sup>

**2.13** With respect to Agencies, the original Capability Review recommended that the Department clarify the nature of its oversight and review the effectiveness of sponsorship arrangements.<sup>30</sup> The Progress review, published in 2009, found substantial improvement in these relationships which are now supported by Heads of Agreement and regular monitoring.<sup>31</sup>

**2.14** The difficulties that can arise with delivering through external delivery partners were highlighted in the NAO's report on *The Failure of Metronet*. The Department had few formal levers to influence outcomes as it was constrained by devolved oversight arrangements and was not itself a party to the contracts. Although the Department retained residual financial risks, it relied on scrutiny by other parties whose ability to identify risks was hampered by the poor quality of information available from Metronet. Furthermore, though the Department had given assurances to lenders, it relied upon London Underground as the contracting party to manage negotiations with Metronet and dialogue with London Underground and the Office of the PPP Arbiter to help inform its risk management. As a consequence of Metronet's failure, the taxpayer has borne a direct loss of between £170 million and £410 million.<sup>32</sup>

<sup>27</sup> Cabinet Office, Department for Transport: Progress and Next Steps (July 2009), p8.

<sup>28</sup> Cabinet Office, Department for Transport: Progress and Next Steps (July 2009), p9.

<sup>29</sup> Department for Transport Annual Report and Resource Accounts 2008-09, p348.

<sup>30</sup> Capability Review of the Department for Transport (July 2007) p20.

<sup>31</sup> Cabinet Office, Department for Transport: Progress and Next Steps (July 2009), p11.

<sup>32</sup> Department for Transport: *The failure of Metronet*. Report by the Comptroller and Auditor General (HC 512, Session 2008-09), paragraphs 17 and 18.

**2.15** The NAO report on *Improving Road Safety for Pedestrians and Cyclists in Great Britain* published in May 2009 provides an example of how the Department has to work with Local Authorities to achieve its objectives. The Department's Road User Safety Division leads the promotion of road safety and had a budget of £36 million in 2008-09 for its road safety activities. Local highway authorities are responsible for most of the expenditure on road safety schemes, over £135 million in 2005-06. The Department must therefore work with local highway authorities and other organisations to improve the safety of pedestrians and cyclists and indeed other road users. The Department depends on its policy and technical advisory roles to build relationships with those who influence and deliver road safety and generally has a good relationship with them. Its approach to date has been informal and based on staff's personal contacts built up over time. The report found that the Department needed to develop an explicit strategy to developing its relationships and to be more innovative in the dissemination of lessons and information, for example, by targeting specific information at those who were most likely to use it.<sup>33</sup>

**2.16** The Department has established a citizens' panel during 2008-09 to explore the public's priorities in relation to the Department's five strategic objectives.<sup>34</sup>

<sup>33</sup> *Department for Transport: Improving Road Safety for Pedestrians and Cyclists in Great Britain*. Report by the Comptroller and Auditor General (HC 437, Session 2008-09), paragraphs 3, 12, 14, 20 and 21.

<sup>34</sup> Department for Transport, Annual Report and Resource Accounts 2009 (July 2009) p181.

# Part Three

## Delivery performance

**3.1** This Part outlines the Department's performance against its objectives. The 2007 Comprehensive Spending Review defined 30 cross-Government Public Service Agreements and required departments to develop a set of Departmental Strategic Objectives (DSO). The Department leads on PSA 5 – delivering reliable and efficient transport networks that support economic growth.

### Public Service Agreement Target

**3.2** The Department's Public Service Agreement (PSA) for the 2007 spending review is PSA 5: "Deliver reliable and efficient transport networks that support economic growth". This PSA target maps onto the Department's Departmental Strategic Objective 1. Measurement of performance against the PSA target is subdivided into 4 key indicators:

- Indicator 1: Journey times on main roads into urban areas;
- Indicator 2: Journey time reliability on the strategic road network, as measured by the average delay experienced in the worst 10 per cent of journeys for each monitored route;
- Indicator 3: Level of capacity and crowding on the rail network; and
- Indicator 4: Value for Money of Department for Transport spending over the CSR 07 period.

**3.3** In 2008-09 we examined the systems which generate data on performance against PSA targets. Our ratings of the systems supporting PSA 5 are summarised in Appendix 2 and our key findings were:

- Coverage of the Department's performance, as reflected in the current indicators could be enhanced by inclusion of measures of improvements in support to ports, airports and international rail hubs;
- A significant aspect of performance, train reliability and punctuality, is omitted from the PSA. This indicator was previously a PSA under the 2004 Spending Review, but has been excluded from the set of indicators used for PSA 5, but remains an indicator under DSO 1;
- The Department should clearly link any targeted improvements in transport to economic growth, as required by the current wording of the PSA target;

- The majority of data systems were well established and generally maintained through an adequate framework of review and reporting to ensure risks to data quality are mitigated;
- The data system to measure crowding on the rail network was still under development and was not in place from the start of the spending review period. The Department considered the data which was available was not yet of sufficient quality to report against the crowding indicator overall; and
- The Value for Money indicator only reports performance at the decision-making stage of the process. Although our review did not highlight any significant weaknesses in the process, we recommended that the indicator should provide an assessment of what has actually been achieved.

**3.4** The NAO made a number of recommendations which the Department were asked to consider to improve the selection of indicators and clarity in disclosure.

### Departmental Strategic Objective (DSO) Targets

**3.5** PSA 5 is supplemented by a set of five Departmental Strategic Objectives (DSOs) and each of these is again supported by a range of indicators.

DSO 1: Supporting economic growth by delivering reliable and efficient transport networks (maps on to PSA 5)

**Indicator 1 – Journey time on main roads into urban areas. By 2010-11 accommodate an average 4.4 per cent increase in travel into the ten largest urban areas in the morning peak within an average increase of 3.6 per cent in journey times per mile.**

**3.6 The Department reports an improvement against this indicator.** The average person journey time in 2007-08, the latest year for which data is available, was 4 minutes 8 seconds per mile. This was 1 second per mile faster than 2006-07, and 8 seconds per mile (3.1 per cent) faster when compared to the baseline against which performance is assessed. This is likely, in part, to be a consequence of the fall in traffic volumes but also the interventions implemented by the local authorities on the target routes.

**Indicator 2 – Journey time reliability on the strategic road network. Over the three years to 31 March 2011 achieve 1.7 million vehicle hour delay savings from new interventions on the strategic road network implemented over the same period.**

**3.7 Improvement.** By the end of March 2009 the Highways Agency's Reliability Delivery Plan delivered savings of 3.8 seconds per vehicle per 10 miles, a total annual saving of over 0.6 million hours of delay across the network. Based on these results and delivery projections for 2009-10 and 2010-11, the target of 1.7 million hours vehicle delay savings is on track to be achieved.



**Indicator 3 – Increase rail capacity to accommodate a 14.5 per cent increase in passenger kilometres in the five years to 2013-14, while achieving specified load factors at major London and regional stations.**

**3.8 Improvement.** Success on this indicator will be an increase in the rail passenger-carrying capacity at times and places on the rail network where current capacity is insufficient to meet forecast demand. The extra capacity will primarily come from train lengthening but in some places it may also be cost effective to run extra trains and/or reschedule trains. Stations, tracks and other rail infrastructure will be modified as necessary to enable enhanced passenger train services to operate. The Department reported in its Annual Report and Resource Accounts, 2008-09, that it is generally on programme to achieve the outcomes in 2013-14 and had started negotiations with Train Operating Companies to deliver additional carriages. The Department states that, to date, 543 new rail vehicles have been ordered.

**3.9** In October 2008 our report on *Letting Rail Franchises* noted that the Department planned to bring 1,300 additional rail carriages into service by 2014. If this were implemented in full, this would increase capacity by 15 per cent.<sup>35</sup> In May 2009 the Public Accounts Committee commented that the Department faced a major challenge to complete the orders for delivery by 2014. In its response, the Government stated that another 120 carriages had been ordered and procurement was progressing on further carriages.<sup>36</sup>

**Indicator 4 – Over the CSR 07 period maintain the same proportion of spend in the High Value for Money category as achieved over the SR 04 period.**

**3.10 Performance against this indicator not yet assessed.** Value for Money is defined in terms of the Benefit Cost Ratio (BCR) of projects at the point of their final approval by ministers. Projects with BCRs above 2 are categorised as High VfM, those with BCRs between 1.5 and 2 as medium VfM, and those with BCRs below 1.5 as poor VfM. BCRs are calculated in terms of costs to the Department. Of the £5 billion of projects approved in 2008-09, 99 per cent were categorised as High VfM compared with 95 per cent for the 2004 Spending Review period as a whole. The Department characterised the indicator as “not yet assessed” since 2008-09 is only the first year of the three year CSR 07 period.

**Indicator 5 – By March 2014 achieve reliability on the railway as measured by the Public Performance Measure Moving Annual Average (PPM MAA) of 92.6 per cent.**

**3.11 Improvement.** Rail reliability, as measured by the PPM MAA, achieved the target of 90.6 per cent for March 2009. This target was achieved despite a 0.3 point depression of PPM MAA caused by the snow at the beginning of February 2009. By August 2009, the latest date for which published data is available, the Moving Annual Average score had reached 91.1 per cent across the rail network, up 0.7 percentage points since the same period last year.<sup>37</sup>

<sup>35</sup> *The Department for Transport: Letting Rail Franchises 2005-2007*. Report by the Comptroller and Auditor General (HC 1047, Session 2007-08), paragraph 13 and Figure 11.

<sup>36</sup> Treasury Minutes on the Seventeenth to the Twenty Third and the Thirty First Reports from the Committee of Public Accounts, Session 2008-2009. Cm 7636, pp36-37.

<sup>37</sup> Source: PPM MAA data to Period 5, 26 July – 22 August, 2009-10.

DSO 2: Reduce transport's emissions of carbon dioxide and other greenhouse gases

**Indicator 1 – Develop a carbon reduction strategy for transport.**

**3.12 Improvement.** The Department's Annual Report indicated that it would publish its Carbon Reduction Strategy for Transport in summer 2009. The strategy – *Low Carbon Transport: A Greener Future – A Carbon Reduction Strategy for Transport (Cm 7682)* – was published in July 2009.

**Indicator 2 – Introduce successor arrangements to the Voluntary Agreements with car manufacturers on new car carbon dioxide improvement.**

**3.13 Improvement.** On 6 April 2009, the European Union adopted a new regulation on new car carbon dioxide emissions as a successor to the Voluntary Agreements. The Regulation sets targets of 130g per kilometre for 2012, with full compliance by 2015; and a further target of 95g per kilometre for 2020.

**Indicator 3 – Agree an improved EU Emissions Trading System for the post-2012 period that includes aviation.**

**3.14 Improvement.** Aviation was brought within the remit of the current emissions trading regime on 2 February 2009. The Secretary of State for Transport announced the appointment of the Environment Agency as regulator of the System in England and Wales on 4 March 2009. Proposals for the administration of the System have been put out to consultation.

**Indicator 4 – Introduce the Renewable Transport Fuel Obligation – requiring five per cent of all fuel sold on UK forecourts to come from a renewable source by 2010.**

**3.15 Improvement.** The Gallagher review of the indirect effects of biofuels concluded that the introduction of biofuels should be significantly slowed to avoid displacement of agricultural activity, impacts on food prices, reduced biodiversity and possible increases in greenhouse gases. Consequently the five per cent target for UK biofuels was deferred to 2013-14.

DSO 3: Contribute to better safety, security and health

**Indicator 1 – Reduce the number of children killed or seriously injured by 50 per cent compared with the average for 1994-98, tackling the higher incidence in disadvantaged communities.**

**3.16 Improvement.** The Department reported in its Annual Report and Resource Accounts, 2008-09, that in 2008 the number of children killed or seriously injured in accidents reported to the police was 59 per cent below the 1994-98 average (reported figures: 2,807 in 2008 compared with 3,090 in 2007 and an average of 6,890 per year in the baseline period 1994-98). In 88 disadvantaged areas, the percentage fall in serious child casualties compared to the annual average for 1999-2001 was greater than the overall percentage drop for England as a whole (casualties fell by 47 per cent and 45 per cent respectively).

**Indicator 2 – Reduce the overall number of people killed or injured in road accidents by 40 per cent by 2010 compared with the average for 1994-98, tackling the higher incidence in disadvantaged communities.**

**3.17 Improvement.** In 2008 serious overall casualties had fallen by 40 per cent. In 88 disadvantaged areas in 2008 the fall in serious overall casualties relative to the 1999-2001 average exceeded that for England as a whole – 31 per cent against 28 per cent.

**3.18** Our report on road safety – *Improving road safety for pedestrians and cyclists in Great Britain* – concluded that the Department was on track to achieve its overall road safety targets for 2010. But, while deaths among pedestrians and cyclists have fallen since the mid 1990s, by 36 per cent and 27 per cent respectively at the time of the report, more needed to be done to improve their safety and Great Britain was some way behind some of the better performing nations. Since the publication of our report, the Department has published its latest road casualty statistics for 2008.<sup>38</sup> The Department's data show that, compared to 2007, the number of fatalities fell for almost all types of road user, including falls of 11 per cent, to 572, for pedestrians and 15 per cent, to 115, for pedal cyclists. The number of pedestrians seriously injured fell to 6,070, a reduction of three per cent compared to 2007; but the number of cyclists seriously injured increased to 2,450 (a slight increase of one per cent compared to 2007).

**3.19** We also reported that the road casualty data the Department uses to monitor progress and help inform its understanding of safety on Great Britain's roads understate the number of casualties each year, as the Department recognises in its publications. Road casualty statistics are drawn from police reports made at the time of the accident. But not all incidents are recorded or reported to the police; and some types of serious injuries are under-recorded. The UK Statistics Authority's assessment of the Department's Road Casualty statistics, published in July 2009, warned that the Department's casualty statistics may not be sufficiently reliable to meet all user needs.<sup>39</sup> In its latest road casualty statistics report the Department stated that figures provided by the police have underestimated the number of people injured on the roads, and that the real figure may be somewhere between 680,000 and 920,000 compared to the 230,000 injuries reported by the police.<sup>40</sup> The Department's report also notes that although road casualty data drawn from police reports do not provide complete coverage of casualties, this does not in itself mean they are unsuitable for monitoring changes over time.

**Indicator 3 (Department for Transport contribution to PSA 26) – Reduce the risks to the UK and its interests from international terrorism.**

**3.20 Performance against this indicator classified.** This indicator contributes to PSA 26, which is led and reported on by the Home Office. The indicator gives evidence of mitigation of terrorism risks to transport services. It is not published since publication could itself increase risks.

<sup>38</sup> *Reported Road Casualties in Great Britain 2008: Annual Report* (September 2009).

<sup>39</sup> *DfT Road Casualty and Road Freight Statistics*, UK Statistics Authority (July 2009).

<sup>40</sup> *Reported Road Casualties in Great Britain 2008: Annual Report* (September 2009), Article 5.

**Indicator 4 – Contribute to meeting Air Quality Strategy objectives as indicated by measurements of particulate matter and nitrogen dioxide.**

**3.21 Not yet assessed.** This is a joint target between the Department for Environment, Food and Rural Affairs (Defra) and the Department for Transport. While 99 per cent of the country experiences good air quality, there are still some areas – mostly by busy roads and urban locations – where limits for particulate matter and nitrogen oxide are exceeded. In April 2009, the Government applied to the European Union for an extension of the deadline for meeting particulate matter until 2011. Next year it expects to submit an application for extension of the nitrogen oxide deadline until 2015.

DSO 4: Promote greater equality of opportunity for all citizens, with the desired outcome of achieving a fairer society

**Indicator 1 – Increase the number of Secure Stations to 700 by March 2009.**

**3.22 Improvement.** At the time of publishing its Annual Report there were 909 stations accredited under the Secure Stations Scheme, representing a 30 per cent increase on the Department's business plan target of 700 by end March 2009. The Scheme's criteria cover station design, management, actual levels of crime and passengers' perceptions of safety. The Department's current target for the end of March 2010 is to achieve 950 accredited stations.

**Indicator 2 – Ensure full compliance with Vehicle Accessibility Regulations for the bus fleet by 2017.**

**3.23 Not yet assessed.** Regulations under the Disability Discrimination Act required all new buses to meet specified access standards from 2000, and for all buses to meet those standards by 2017. The proportion of the full size bus fleet with low floor wheelchair access increased from 53.7 per cent in 2006-07 to 62 per cent in 2007-08. All new light rail vehicles and systems are required to be accessible to disabled people, including wheelchair users.

**Indicator 3 – Ensure full compliance with Vehicle Accessibility Regulations for the heavy rail fleet by 2020.**

**3.24 Improvement.** All new heavy rail vehicles (trains) have been statutorily required since 1998 to meet specified access standards, and all rail vehicles will need to meet these standards by 2020. By the end of March 2009, some 42 per cent of the heavy rail fleet met modern accessibility standards.

**Indicator 4 – Improve access to services and facilities by public transport, walking and cycling.**

**3.25 Not yet assessed.** All local authorities are working to improve access to services and facilities by public transport, walking and cycling. The Department notes that 54 out of 152 local authorities have chosen to set targets against this objective in their local area agreements with central government. The Department is also on course to achieve its target for growth in bus and light rail patronage, with patronage already at 19 per cent above the 2000 baseline against a target of 12 per cent by 2010.

**3.26** The Department has made progress on other aspects of this indicator. For example, to support local authorities in their efforts to provide improved cycle facilities, the Department published Local Transport Note 2/08 – Cycle Infrastructure Design – in October 2008. The publication primarily aimed at local authority transport practitioners brings together and updated previous guidance on cycling in a single and comprehensive guide. Furthermore, eleven further towns and smaller cities and the first large city (Bristol) were announced as new cycling demonstration towns – which are intended to showcase best practice in cycle provision and promotion – adding to the seven already underway.

**3.27** Our report on *Letting rail franchises* found that the Department has negotiated commitments from train operators to deliver improvements in accessibility. On disabled access, each of the new franchises includes a £250,000 a year budget for the franchisee to carry out minor improvements such as additional seating and signs at stations. The report also notes that, in April 2006, the Department for Transport launched its ‘Railways for All’ strategy to improve the accessibility of rail travel in Great Britain. The Strategy includes a £370 million ‘Access for All’ fund to be spent, over a 10 year period, on Network Rail delivering targeted access improvements to hundreds of stations, including making some stations step-free.

DSO 5: Improve quality of life for transport users and others, and promote a healthy natural environment

**Indicator 1 – Meet critical milestones and stay within budget for 2012 Olympics transport infrastructure.**

**3.28 Not yet assessed.** The Department for Transport is overseeing the delivery of a portfolio of projects and activities through its Olympics Programme Board, chaired at director level. The Department states in its Annual Report and Resource Accounts, 2008-09, that all its infrastructure project commitments are currently on track for delivery to agreed milestones.

**Indicator 2 – Open High Speed One services at Stratford International in line with agreed timetable.**

**3.29 No improvement.** The Department states in its Annual Report and Resource Accounts, 2008-09, that Stratford International Station will be open to high-speed domestic services from December 2009. The critical item for station opening is the third-party provision of a temporary bus service between the international and the nearby regional station, pending completion of the DLR extension and permanent walking route. This interim scheme is necessary to satisfy a planning condition for the station to open.

**Indicator 3 – Ensure the rail industry produces Noise Action Plans in accordance with the Environmental Noise Directive and delivers in line with agreed plans.**

**3.30 Not yet assessed.** The 2002 EU Environmental Noise Directive requires mapping and then preparation of noise management action plans. Defra has published the mappings for the required 23 major conurbations, cities and major transport routes. For rail, this meant mapping noise on routes with more than 60,000 train movements a year. This summer, Defra issued a consultation document to prepare the action plans with a closing date of November 2009. The current target is to adopt action plans in 2010 and implement them thereafter.

# Appendix One

## Phase 2 Capability Review Results

Using the methodology from the NAO study *Assessment of the capability review programme* (HC 123, Session 2008-09), the results from the second phase of the capability reviews have been summarised below

Department	Publication Date	Leadership				Rank
		L1	L2	L3	L4	
<b>Phase 2 Assessments</b>						
Department for International Development	March 2009	4	4	3	2	1
Department for Children Schools and Families	July 2008	3	4	4	2	1
Department for Work and Pensions	July 2008	2	3	4	2	4
Foreign & Commonwealth Office	March 2009	3	4	3	3	1
Department for Business Enterprise and Regulatory Reform	December 2008	3	3	3	2	4
Crown Prosecution Service	July 2009	4	3	2	2	4
<b>Department for Transport</b>	<b>July 2009</b>	<b>3</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>10</b>
Department of Health	July 2009	2	2	3	2	10
Departments for Environment, Food and Rural Affairs	March 2009	4	2	2	2	7
Home Office	July 2008	3	2	3	2	7
Ministry of Defence	March 2009	2	2	3	2	10
Cabinet Office	December 2008	3	2	3	2	7
Communities and Local Government	December 2008	3	2	2	2	10
Department for Culture, Media and Sport	March 2009	3	1	2	1	14
<b>Average excluding DfT:</b>		<b>3.0</b>	<b>2.6</b>	<b>2.8</b>	<b>2.0</b>	
<b>Baseline Assessments</b>						
Ministry of Justice	April 2008	3	3	2	2	
Department for Innovation, Universities & Skills	December 2008	3	3	1	2	
Government Communications Headquarters	July 2009	3	3	2	2	
<span>4 Strong</span> <span>3 Well placed</span> <span>2 Development Area</span> <span>1 Urgent Development Area</span> <span>0 Serious Concern</span>						





Source: Civil Service Second Phase Capability Reviews (<http://www.civilservice.gov.uk/cross-government/capability/reports.aspx>)

Strategy				Delivery				Average				Rank
S1	S2	S3	Rank	D1	D2	D3	Rank	L	S	D	Overall	Rank
3	3	2	5	2	3	4	2	3.3	2.7	3.0	3.0	1
3	3	2	5	3	2	3	3	3.3	2.7	2.7	2.9	2
3	4	3	1	2	3	3	3	2.8	3.3	2.7	2.9	2
2	3	3	5	2	2	3	7	3.3	2.7	2.3	2.8	4
2	4	2	5	3	2	3	3	2.8	2.7	2.7	2.7	5
2	3	2	13	3	2	3	3	2.8	2.3	2.7	2.6	6
3	4	3	1	3	2	2	7	<b>2.3</b>	<b>3.3</b>	<b>2.3</b>	<b>2.6</b>	<b>6</b>
2	2	3	13	4	2	4	1	2.3	2.3	3.3	2.6	6
3	3	2	5	3	2	2	7	2.5	2.7	2.3	2.5	11
4	2	2	5	2	2	3	7	2.5	2.7	2.3	2.5	9
4	3	3	1	2	2	2	12	2.3	3.3	2.0	2.5	9
2	4	3	4	2	1	2	14	2.5	3.0	1.7	2.4	12
3	2	3	5	2	2	2	13	2.3	2.7	2.0	2.3	13
2	3	3	5	3	2	2	7	1.8	2.7	2.3	2.2	14
<b>2.7</b>	<b>3.0</b>	<b>2.5</b>		<b>2.5</b>	<b>2.1</b>	<b>2.8</b>		<b>2.6</b>	<b>2.7</b>	<b>2.5</b>	<b>2.6</b>	
1	2	2		1	1	2		2.5	1.7	1.3	1.9	
1	2	3		2	2	2		2.3	2.0	2.0	2.1	
2	4	4		2	4	3		2.5	3.3	3.0	2.9	

# Appendix Two

## Summary of validation of the data systems for PSA target 5, Spending Review Period 2008-09

### PSA 5: To deliver reliable and efficient transport networks that support economic growth

Indicator	Description	Rating
1	<p><b>Journey times on main roads into urban areas</b></p> <p>By 2010-11 minimise increases in journey time, accommodating an average increase in travel of 4.4 per cent within an average increase of 3.6 per cent in person journey times per mile. Working in partnership with the Department for Transport, local authorities in the ten largest urban areas will minimise the impact of increased travel demand on journey times on main roads into town centres.</p>	 (Disclosure)
2	<p><b>Journey time reliability on the strategic road network, as measured by the average delay experienced in the worst 10 per cent of journeys for each monitored route</b></p> <p>Minimise increases in delays between years ending March 2008 and March 2011 for the slowest 10 per cent of journeys in the context of traffic growing by 1-2 per cent a year.</p>	 (Disclosure)
3	<p><b>Level of capacity and crowding on the rail network</b></p> <p>By 2013-14 increase capacity to accommodate an expected increase of 14.5 per cent in rail passenger kilometres from 2008-09 while achieving the train load factors specified in the Government's High Level Output Specification (HLOS) for the railway.</p>	 (Systems)
4	<p><b>Value for Money of Department for Transport spending over the CSR 07 period</b></p> <p>Over the CSR 07 period maintain the same proportion of spend in the High Value for Money category as achieved over the SR 04 period.</p>	 (Fit for purpose)

Source: National Audit Office: Measuring up: Findings by PSA (weblink: [http://www.nao.org.uk/publications/0809/measuring\\_up\\_psa\\_validation-1/findings\\_by\\_psa.aspx](http://www.nao.org.uk/publications/0809/measuring_up_psa_validation-1/findings_by_psa.aspx))